

LINDA LINGLE
GOVERNOR



CARLITO P. CALIBOSO
CHAIRMAN

JOHN E. COLE
COMMISSIONER

LESLIE H. KONDO
COMMISSIONER

Telephone: (808) 586-2020
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STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

e-mail: Hawaii.PUC@hawaii.gov

August 29, 2008

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Department of Commerce and Consumer Affairs
Division of Consumer Advocacy
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1003 Bishop Street
Honolulu, Hawaii 96813

Re: Docket No. 2008-0115 – In Re. Molokai Public Utilities, Inc., Wai'ola O Moloka'i, Inc., and MOSCO, Inc. for Temporary Rate Relief

Dear Parties:

Please find enclosed copies of: (1) a letter dated August 27, 2008 and filed on August 28, 2008 by Molokai Public Utilities, Inc., Wai'ola O Moloka'i, Inc., and MOSCO, Inc. (collectively, "Utilities"); and (2) a letter dated August 27, 2008 and filed on August 28, 2008 on behalf of Molokai Properties, Ltd. ("MPL"). The letters indicate that they were not served on the Consumer Advocate and the County of Maui. By copy of this letter to the Utilities and MPL, the Commission reminds them to properly serve all filings with the Commission to all Parties and their counsel of record in this docket.

Parties
August 29, 2008
Page 2

Commission sanctions may result for failure to comply with the Commission's Rules of Practice and Procedure.

In addition, if MPL has retained legal counsel to officially appear in this docket, a notice of appearance of counsel should be filed in the docket.

Please do not hesitate to contact me at 586-2019 if you have any questions.

Sincerely,

A handwritten signature in black ink, reading "Kaiulani Kidani Shinsato". The signature is fluid and cursive, with the first name "Kaiulani" being the most prominent.

Kaiulani Kidani Shinsato
Commission Counsel

KKS:cp

Enclosures

c: Peter A. Nicholas (w/out enclosures)
James N. Duca, Esq. (w/out enclosures)

**Wai'ola O Molokai
Molokai Public Utilities Inc
Mosco Inc
745 Fort St #600
Honolulu, HI 96813**

August 27, 2008

Chairman Carlito P. Caliboso
Public Utilities Commission
Department of Budget and Finance
465 S. King St #103
Honolulu, HI, 96813

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COMMISSION

Dear Chair Caliboso,

Re: PUC letter of August 25

I am in receipt of your letter which seeks clarification in relation to Docket No 2008-0115-Temporary Rate Increase.

All correspondence to the Commission from the utilities has been very clear that the utilities lacked the financial resources to carry on past August 31 without tariff increases to cover operational losses.

Now this issue appears to have been temporarily resolved, I confirm the utilities will continue to operate and provide services to their customers past August 31.

How long the temporary rate increases will be sufficient for the utilities to be able to continue to operate depends on future fuel, power and labor cost increases. Should there be any shortfalls in operational funds, I commit to inform you of potential problems.

However, we have also been clear that we will not continue to operate these utilities indefinitely and that the temporary rate increases is a stop-gap measure.

We do not believe that it is appropriate a private company should undertake what is essentially now a civic responsibility following the shutdown of operations on Molokai by Molokai Properties Limited. We therefore continue to hope that some public or private entity can be found to take over these operations as a more permanent solution.

We also attach our tariff schedules for MPU and Wai'ola.

Very Truly Yours;

A handwritten signature in black ink, appearing to read "Peter A. Nicholas". The signature is fluid and cursive, with a large initial "P" and "N".

Peter A. Nicholas
Director

WAIOLA O MOLOKAI

Water Rate Schedule
September 1, 2008 – February 28, 2009

User Charge (per 1000 gallon): \$5.15

Deposit \$50.00

Service Charge – Meter Reading

Meter Size	5/8"	\$5.00
Meter Size	3/4"	\$5.00
Meter Size	1"	\$10.00
Meter Size	1-1/2"	\$10.00
Meter Size	2"	\$25.00
Meter Size	3"	\$50.00
Meter Size	4"	\$75.00
Meter Size	6"	\$150.00
Meter Size	8"	\$250.00

Tap-in-Charge per connection:

Single Family Unit \$100.00

Multi Family Unit \$100.00

Commercial

Meter Size	5/8"	\$600.00
Meter Size	3/4"	\$900.00
Meter Size	1"	\$2,000.00
Meter Size	1-1/2"	\$4,000.00
Meter Size	2"	\$8,000.00
Meter Size	3"	\$16,000.00
Meter Size	4"	\$40,000.00
Meter Size	6"	\$65,000.00
Meter Size	8"	\$150,000.00

WAIOLA O MOLOKAI, INC.

Water Rate Schedule

September 1, 2008 – February 28, 2009

Agriculture

Meter Size	5/8"	\$500.00
Meter Size	3/4"	\$800.00
Meter Size	1"	\$1,500.00
Meter Size	1-1/2"	\$3,000.00
Meter Size	2"	\$5,000.00
Meter Size	3"	\$10,000.00
Meter Size	4"	\$20,000.00
Meter Size	6"	\$35,000.00
Meter Size	8"	\$70,000.00

Private Fire Protection Charges

Hydrant - \$3.50 per hydrant per month

Standpipes - \$2.50 per standpipe per month

Others - \$2.50 per month per inch diameter of feeder main

Reconnection Charge:	\$50.00
Inspection Charge:	\$30.00
Late Charge:	1% per month
Dishonored Check Fee:	\$10.00
Penalty:	\$500.00

MOLOKAI PUBLIC UTILITIES, INC.

Rate Schedule

September 1, 2008 – February 28, 2009

1. Deposit prior to commencement of services \$50.00
2. **Water consumption charge per month per 1000 gallons \$6.04**
3. Standby charge per month (per installed meter)
 - 5/8" or 3/4" \$11.25
 - 1" \$15.00
 - 1-1/2" \$22.50
 - 2" \$37.50
 - 3" \$75.00
 - 4" \$112.50
 - 6" \$225.00
 - 8" \$375.00
4. Private fire protection rates per month:
 - Per Hydrant \$5.25
 - Per Standpipe \$3.00
 - Others: Per inches in diameter of feed main \$3.75
5. Monthly water availability charge to each owner of Lot at which a service connection is possible but Has not been applied for \$3.00
6. Contribution for tap-in (meter size / inches):
 - 5/8" or 3/4" \$150.00
 - 1" \$300.00
 - 1-1/2" \$525.00
 - 2" \$750.00
 - 3" \$1,500.00
 - 4" \$3,000.00
 - 6" \$4,500.00
 - 8" \$6,750.00
7. Reconnection Fee \$75.00
8. Inspection fee where user installs the tap-in And meter Actual cost, but Not less than \$37.50
9. Bulk Water Sales \$1.125
Per month per 1000 gallons (Kualapuu Bulk Sale Contract)

LYONS, BRANDT, COOK & HIRAMATSU

SAMUEL A.B. LYONS
GEORGE W. BRANDT
THOMAS E. COOK
BEVERLY LYNNE K. HIRAMATSU
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OF COUNSEL
JAMES N. DUCA

August 27, 2008

Mr. Carlito P. Caliboso
Chairman
Public Utilities Commission
Department of Budget and Finance
465 South King Street, Room 103
Honolulu, Hawaii 96813

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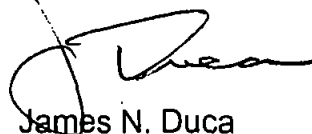
Re: Docket No. 2008-0115 – In Re. Molokai Public Utilities, Inc.,
Wai'ola O Moloka'i, Inc., and MOSCO, Inc. for Temporary Rate
Relief

Dear Mr. Caliboso:

We are writing to you as legal counsel for Molokai Properties, Ltd. ("MPL"), in response to your letter referenced above. The decision whether or not to continue to provide utility services after August 31, 2008, is one for the Utilities to make and is, therefore, outside the scope of this reply.

We wish to call your attention to the fact that the supposed finding by the Department of Health that MPL is the alter ego of the Utilities is something that was never alleged in those proceedings, was improperly addressed in the decision, and will be challenged on appeal, unless the Department of Health elects to rescind it. MPL disputes any claim or finding that it is the alter ego of the Utilities.

Very truly yours,



James N. Duca

JND:ja